

## **Employee Plans Master File (EPMF) – Privacy Impact Assessment (PIA)**

**PIA Approval Date: November 19, 2008**

### **System Overview**

EPMF is a master file which contains characteristic information of non-IRS employee benefit plans, including information on size, funding, operations, etc. The Employee Retirement Income Security Act of 1974 (ERISA) requires that certain employee benefit plans submit this information to the Government each year on 5500-series forms.

Accounts on EPMF are identified by Employer Identification Numbers (EINs); plans are identified by a combination of EIN and Plan Number. Data is used for answering inquiries, classifying returns for audit, preparing reports, and other matters concerned with the processing and enforcement activities of the IRS.

### **System of Records Notice (SORN):**

- IRS 50.222 Tax Exempt/Government Entities (TE/GE) Case Management Records

### **Data in the System**

#### **1. Describe the information (data elements and fields) available in the system in the following categories:**

A. Taxpayer – Plan Sponsors: EPMF contains data identifying the Plan Sponsor / Employer, including:

- Employer Identification Number (EIN)
- Plan Sponsor (Business) Legal Name and “Doing Business As” Name
- Plan Sponsor (Business) Address

EPMF contains data identifying the employee benefit plans, including:

- Plan Number
- Plan Name
- Plan Effective Date
- Plan Administrator EIN
- Plan Administrator Name
- Plan Administrator Address
- Plan application information from 5300-series Pension Plan Applications
- Plan determination information
- Plan termination information

EPMF contains data related to a specific plan year, including:

- Characteristics of the plan from 5500-series returns, including total assets and number of participants
- Information about proposed penalties for late or incomplete 5500-series returns
- Information about a filer’s participation in the Department of Labor’s Delinquent Filer Voluntary Compliance (DFVC) program
- Excise tax information from Form 5330
- Record of examination
- Record of delinquency investigation
- Record of denied request for extension of time to file

- Record that an authorized representative (power of attorney) is on file with the IRS (although information about the representative is not stored on the EPMF)

Finally, EPMF contains all data from form 5500-series returns, including:

- Plan information from forms 5500 and 5500-EZ and historic forms 5500-C and 5500-R
- Plan insurance information from Form 5500 Schedule A, including the name and EIN of the insurance carrier and coverage information, along with names and addresses of agents, brokers, or other persons to whom commissions or fees were paid. Schedule A also includes investment and annuity contract information.
- Actuarial information from Form 5500 Schedule B, including the actuary name and actuary enrollment number, along with all actuarial information
- Service provider information from Form 5500 Schedule C, including the names and EINs of service providers along with the names, EINs, addresses, and telephone numbers of terminated accountants and actuaries
- Direct Filing Entity (DFE) and Participating Plan information from 5500 Schedule D including the plan name, sponsor name, and EIN of participating plans
- Employee Stock Ownership Plan (ESOP) information from 5500 Schedule E
- Fringe Benefit Plan information from historic 5500 Schedule F
- Financial Transaction information from 5500 Schedule G, including the names and addresses of organizations transacting certain business with the plan
- Financial information from 5500 Schedules H and I and 5500-EZ, including plan assets, liabilities, income, expenses, and transfers
- Fiduciary of Employee Benefit Trust information from 5500 Schedule P, including the name and address of the custodian, the name of the trust, and the trust's EIN
- Retirement plan information from 5500 Schedule R, including distribution and funding information
- Information identifying separated participants with deferred vested benefits from 5500 Schedule SSA, including participant Social Security Number (SSN), name, and benefit information
- Qualified pension plan coverage information from 5500 Schedule T

All information from 5500-series returns is public information except information from Schedule B (when attached to a 5500-EZ), Schedule E, Schedule F, and Schedule SSA.

B. Employee – No, employee information is stored as part of these other systems, mentioned below in question 1C.; it's not stored in the EPMF (i.e., outside of the scope of the EPMF application).

C. Audit Trail Information (including employee log-in info) – No Audit Trail for EPMF: As explained in B above, the only employees who have direct access to the EPMF are developers. Other employees access the EPMF through systems such as: National Account Profile (NAP), 5330 Excise Tax and 5500 series penalty information to BMF Notice Comp, the Social Security Administration (SSA), the DOL, the Name Search Facility (NSF), the Integrated Production Model (IPM), IDRS, AIMS, and RICS/WebRICS (Returns Inventory and Classification System/Web Returns Inventory and Classification System). These systems are granted access to the EPMF, not individual employees. Audit trail information is stored as part of these other systems; it's not stored in the EPMF.

## **2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.**

A. IRS – Source: Business Masterfile and IDRS, data elements referenced below:

- Participant SSN
- Participant Name

All data on the EPMF, except certain enforcement information, comes from other IRS systems, and most of this data originates from plan sponsors. (See answers in Sections 2B-2F for data from other sources.) For example, Form 5330 excise tax information originates with the plan sponsor but is passed to the EPMF from the BMF. Enforcement information identifying plan sponsors who should have filed returns but did not (delinquency investigation) comes directly from IRS's EPMF.

The enforcement information is information identifying plan sponsors who should have filed returns but did not. The following is additional information about this enforcement process:

- At a given point in time, currently about 15 months after a return is due, analysis is done to determine if a return should have been filed but was not. If a return was not filed, this is noted on the EPMF (by a transaction with transaction code 141) and IDRS, and IDRS sends a CP403 notice asking the filer for the return. If the return is not filed, a follow-up CP406 notice is sent.
- A record that an examination has started is also stored on the EPMF. This information originates with the RICS/WebRICS and AIMS systems, and the PIAs for these systems should have additional information. EPMF Pre-Posting module data of EPMF receives Business Pension Plan data from BMF Outputs.
- AIMS provides end of day transmission reconciliation data to EPMF Pre-Posting module data of EPMF.
- IDRS provides updates to plan data not contained within form series F5500 forms to EPMF Analysis module data of EPMF (data also included is received from CAF and CFOL).
- Once the unpostables are corrected by GUF, they are returned to EPMF Pre-Posting module data of EPMF through GMF.
- Zip Processing, updates missing or corrected taxpayer address information that is sent to EPMF Pre-Posting module data of EPMF.

B. Taxpayer – Source: Form 5500 SSA and Form 5330 – Plan Sponsors Most data on the EPMF, except certain enforcement information, comes directly from the plan sponsor on Form 5500-series returns (through a system operated by the Department of Labor, via VANGENT). Additional data comes from the plan sponsor on 5300-series employee plan applications, Form 5330, and plan sponsor correspondence.

C. Employee – IRS employees do not provide data to EPMF.

D. Other Federal Agencies (List agency) – Source: Department of Labor operating the ERISA that processes Form 5500 SSA.

- Participant SSN
- Participant Name

The Department of Labor operates the ERISA Filing Acceptance System (EFAST) for processing Form 5500-series returns and sends data captured from these returns to the EPMF (although all data originates with the plan sponsor or plan administrator). The Department of Labor also sends

information about participation in the Delinquent Filer Voluntary Compliance (DFVC) program. The United States Postal Service (USPS) provides Plan Sponsor address change information.

The IRS has an Interagency Agreement with the Department of Labor renewed and re-signed on April 26, 2007. The IRS also has an Interagency Agreement with the U.S. Postal Service.

E. State and Local Agencies (List agency) – EMPF does not receive data from State and Local Agencies.

F. Other third party sources (Describe) – Source: Plan Administrator (i.e. third party)

- Participant SSN
- Participant Name

The data is reported by the *Plan Administrator* (i.e., third party) on various returns and schedules. After the initial filing of the return, any changes or updates to the Plan information, whether initiated by the Plan Administrator or the IRS, are submitted as a transaction to post to the EPMF Master File so that the file reflects a continuously updated and current record of each Plan's information. Nothing is posted other than what is on the form submitted by the Plan Administrator. There is no data from other sources.

### **3. Is each data item required for the business purpose of the system? Explain.**

Yes. The name, EIN, and addresses of the Sponsor and Plan Administrator are required to identify the Plan's account. The characteristics and financial statement information are required to determine eligibility for tax-exempt status, and maintain a record of how these requirements are met.

### **4. How will each data item be verified for accuracy, timeliness, and completeness?**

EPMF is unique in that the pre-processing of the IRS forms is performed by another Government entity, the Department of Labor. Under the Department of Labor's ERISA Filing Acceptance System (EFAST), plan sponsors or plan administrators submit Form 5500-series returns, either on paper or electronically, directly to the EFAST vendor's processing site. The EFAST vendor captures data from the returns and performs initial data validation. This initial validation includes more than 200 tests to ensure the completeness and consistency of data supplied on the forms, up to two rounds of correspondence with the filer to correct any errors, and extensive entity validation to ensure that the EINs and plan numbers are correct.

- The EFAST Interagency Agreement (IAA) TIRNO-07-M-00028 between IRS and DOL was renewed April 26, 2008. The IAA provides IRS with Form 5500 filing data from DOL through the DOL EFAST contract with VANGENT (U.S. Department of Labor Contract No. J-9-P-8-0037) for receipt and processing of Form 5500 returns. The EFAST security requirements are covered under the IRS-DOL IAA and the DOL-VANGENT contract: Section C, Requirements, Table C.2.a of this contract states that the EFAST system must meet the security requirements of OMB Circular A-130, Appendix III. The EFAST system has been evaluated and certified that it meets these requirements. The latest certification was obtained May 2005.
- The data is shipped each week on an encrypted CD for posting to the EPMF.
- As described in the VANGENT document: EFAST Computer Security Plan, Deliverable #298-1, Section 3.2.1 – Physical Access Controls:

All areas containing EFAST material are designated as EFAST-restricted access areas. Under the Minimum Protection Standards (MPS), all material containing SBU information is protected by at least two barriers. Some areas, because they contain equipment and material critical to this project, are designated as high-security areas. These areas are enclosed within a secured perimeter in addition to the external secured perimeter. These areas are:

- Communication and Computer server room(s)
- Data file storage area
- Form storage area
- On-site tape library
- Telephone closet
- Power supply
- Software Development Area

The VANGENT facilities use the HID Access Control Security System to control access to its buildings, the restricted EFAST operating area and the secured interior areas such as the storage area and the communication rooms. This system also provides access control to selected exterior doors such as the loading dock area and the mailroom. There is 7-day, 24-hour guard protection for the premises.

The Safeguard Review was initially done in December 9-11, 2003 and the report was issued in May 2004 with the TEGE response in August 2004. Then again in the EFAST Interagency agreement, dated April 26<sup>th</sup>, 2007, under Section VIII – Safeguarding Information. All recommendations were addressed and closed.

Another layer of validation is done when the returns reach the EPMF, where returns can either be rejected and not processed (for severe errors that might cause IRS systems to crash, like an unexpected record format) or sent to the Generalized Unpostable Framework (GUF) system for manual review and correction (for errors that might result in inaccuracies on the EPMF, like a return transaction where the EIN exists on the EPMF but the sponsor name on the return appears to be different than the sponsor name on the EPMF, indicating a possible EIN problem). GUF users' research possible errors using tools like IDRS command codes ERTVU (to view the complete return) and EMFOL (to view the entire EPMF account).

Non-EFAST transactions are validated by the systems that generate them (IDRS, AIMS, etc.). Non-EFAST transactions are also subjected to another layer of validation when they reach the EPMF, with errors corrected through the GUF.

Once return data is in the system, it can only be changed when a filer (the plan administrator) submits an amended return through EFAST. The EPMF can be updated only by custom code tightly controlled by MCC Mainframe Administrators.

Adjustments, whether originated by IRS or the Plan Administrator are input through the Integrated Data Retrieval System (IDRS) and transmitted for posting to the master file. If the data is accurate when it is originally added to the system, it will remain accurate. Technical methods ensure that the data remains unchanged throughout its life on the system. Batch processing is performed weekly.

The timeliness and completeness of a filer's submission is checked when a return posts to the EPMF. If the return is late, or if certain critical information is missing, a notice of proposed penalty is mailed to the plan sponsor.

The timeliness of EFAST processing is monitored weekly using an EPMF-generated report.

## **5. Is there another source for the data?**

No. There is no other source for the data.

## **6. Generally, how will data be retrieved by the user?**

EPMF data is not directly accessible by users. Employees do not have direct access to the EPMF. Most employees access the EPMF information through the following systems/applications:

- NAP – EPMF sends Taxpayer Entity data.
- BMF Notice Comp – EPMF Analysis module sends F5500 access penalty information for tax account updates.
- NSF – Name Search Facility (NSF), receives taxpayer and plan data from EPMF Outputs module, Run # 26026.
- IPM – Integrated Production Module (IPM) receives TC141 data for tracking non-filer data on delinquent returns via EPMF.
- IDRS – receives taxpayer and plan data from EPMF Analysis module and EPMF Output Module (including data for DLY, WTU & CAF). Most employees access the EPMF through IDRS command codes, and most IDRS command codes access a copy of a subset of the EPMF which is extracted each week through a batch run. Users of IDRS CFOL command codes ERTVU and EMFOL have direct read-only access the EPMF. IRS employees with a “need to know” can access a copy of the data posted to the EPMF using the IDRS command code Employee Plan Master File Online (EMFOL).
- AIMS – receives record of examination data from EPMF Outputs, employees access the EPMF through AIMS which also includes information extracted from the EPMF.
- RICS/WebRICS – receives read-only access return and filer information related to the filing and processing of Employee Plans using DB2 Connect via EPMF RTFOL module.
- EPMF Standard Extract – Data extracted on a requested basis to Legal Reps, Taxpayers, etc. Reports are also generated on a weekly basis, as well as, loading into the other IRS systems mentioned above.

### **DOL Users:**

- Data is extracted each week, and is transmitted to DOL via an encrypted CD for EFAST in accordance with the IRS-DOL Interagency Agreement signed on 04/26/2007.

### **SSA Users:**

- EPMF Extracts module sends taxpayer and plan data to SSA using Connect: Direct. SSA uses this information to notify retirees who apply for Social Security benefits that they may be entitled to receive benefits from other retirement plans. An Inter-Agency connection is in development at this time. There is currently no specify I/A with IRS and SSA for the EPMF application. An overall I/A with IRS and SSA does exist; IRS is pursuing this avenue to include data sent from EPMF application at this time. This connection was as a result of a Mandate with the MITS organization and not the Business System Owner.

## **7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?**

Yes. Data is retrieved by the name (i.e., employer or sponsor name) and EIN (i.e., Employer Identification Number) of the Plan Sponsor or Administrator. The Sponsor is a company, business, etc. The Plan Administrator is often a company that provides this service, but some plans are administered internally by a business. In these cases, the business that has responsibility for the Plan must apply for a unique EIN for the Plan Sponsor or Administrator. This is used for reporting purposes of the Plan and is not related to that Plan Sponsor or Administrator's own tax return.

## **Access to the Data**

### **8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?**

Authorized users, managers, and System Administrators will have access to the data. Actual access to the data by a System Administrator is rare but unavoidable, and would be mission related.

Most EPMF data is available through the IRS to the public for a nominal fee, through EPMF Standard Extracts. The Form 5500 Series is not only an important compliance and research tool for the Department of Labor, but is also required to be disclosed (on request) to Plan participants and beneficiaries. Also, the Form 5500 series is an important source of information and data for use by other Federal agencies, Congress, and the private sector in assessing employee benefit, tax, and economic trends and policies. Individuals are not identified.

The Form 5500 Series is part of ERISA's overall reporting and disclosure framework. This is intended to assure that employee benefit plans are operated and managed in accordance with certain prescribed standards and that participants and beneficiaries, as well as regulators, are provided or have access to sufficient information to protect the rights and benefits of participants and beneficiaries under employee benefit plans. Individuals are not identified in these disclosures and reports.

### **9. How is access to the data by a user determined and by whom?**

Data access is granted on a "need to know" basis. The OL5081 (Online 5081) is used to document access requests, modifications, and terminations for all types of users, including System Administrators. When a new user needs access to IRS systems or applications, the user's manager or designated official, completes an OL5081 requesting access for the new user. OL5081 is an online form, which includes information, such as the name of the system or application, type of access, and the manager's signature approving authorization of access. The completed OL5081 is submitted to the Security or User Administrator, who assigns a user ID and an initial password. Before access is granted, the user is required to digitally sign OL5081 acknowledging his/her security responsibilities when using the system.

Profiles for users are determined according to access rights granted when the user creates an OL5081 request. The profiles are controlled by pre-set tables. These tables may be changed only by a programmer with a Change Request from a Security Manager. Users are prevented from exceeding their assigned access privileges.

### **10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.**

Yes.

#### **IRS SYSTEMS THAT PROVIDE DATA:**

- AIMS provides end of day transmission reconciliation data to EPMF Pre-Posting module data of EPMF.
- IDRS provides updates to plan data not contained within form series F5500 forms to EPMF Analysis module data of EPMF (data also included is received from CAF and CFOL).
- GMF - Once the unpostables are corrected by GUF, they are returned to EPMF Pre-Posting module data of EPMF through GMF. GMF also receives data from ERS, NAP, and ISRP, as well as GUF.
- BMF Outputs – Provides data to EPMF Pre-Posting module on Business Pension Plan data.

- Zip Processing, updates missing or corrected taxpayer address information that is sent to EPMF Pre-Posting module data of EPMF.

#### **IRS SYSTEMS THAT RECEIVE DATA:**

- NAP – EPMF sends Taxpayer Entity data.
- BMF Notice Comp – EPMF Analysis module sends F5500 access penalty information for tax account updates. Excise tax information from Form 5330, including sponsor information, filer information, excise tax abstract number, and excise tax amount.
- NSF – Name Search Facility (NSF), receives taxpayer and plan data from EPMF Outputs module, Run # 26026.
- IPM – Integrated Production Module (IPM) receives TC141 data for tracking non-filer data on delinquent returns via EPMF.
- IDRS – receives taxpayer and plan data from EPMF Analysis module and EPMF Output Module (including data for DLY, WTU & CAF). Most employees access the EPMF through IDRS command codes, and most IDRS command codes access a copy of a subset of the EPMF which is extracted each week through a batch run. Users of IDRS CFOL command codes ERTVU and EMFOL have direct read-only access the EPMF. IRS employees with a “need to know” can access a copy of the data posted to the EPMF using the IDRS command code Employee Plan Master File Online (EMFOL).
- AIMS – receives record of examination data from EPMF Outputs, employees access the EPMF through AIMS which also includes information extracted from the EPMF.
- RICS/WebRICS – receives read-only access return and filer information related to the filing and processing of Employee Plans using DB2 Connect via EPMF RTFOL module. RICS/WebRICS provides users with the ability to query any part of the EPMF, including all return elements, and allows users to print facsimiles of returns or select returns for examination.
- EPMF Standard Extract – Data extracted on a requested basis to Legal Reps, Taxpayers, etc. Reports are also generated on a weekly basis, as well as, loading into the other IRS systems mentioned above.

#### **11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?**

##### **Certification and Accreditation (C&A):**

The following systems hold a current Certification and Accreditation in the Mission Assurance Master Inventory:

- IDRS (including CFOL, CAF, DLY, and WTU)
- AIMS (including EOD)
- BMF (including BMF Outputs and BMF Notice Comp.)
- ZIP Processing
- RICS/WebRICS
- GMF
- EDS
- NSF
- NAP
- RICS/WebRICS

The following systems have a current Certification and Accreditation in the FISMA FY2008 Inventory:

- GUF (6/7/2006, ATO exp. 6/7/09)
- IPM (11/9/07, ATO exp. 11/9/2010)

**Privacy Impact Assessment (PIA):**

The following systems hold a current Privacy Impact Assessment in the Office of Privacy Inventory:

- BMF
- IDRS (including CFOL, CAF, DLY, and WTU)
- AIMS (including EOD)
- BMF (including BMF Outputs and BMF Notice Comp.)
- ZIP Processing
- RICS/WebRICS
- GMF
- EDS
- NSF
- NAP
- RICS/WebRICS
- GUF (PIA is not required of the GUF process)
- IPM

The following systems do *not* have a current Privacy Impact Assessment in the Office of Privacy Inventory:

- GUF (PIA is not required of the GUF process)

**12. Will other agencies provide, receive, or share data in any form with this system?**

Yes. The forms are submitted by the Plan Administrator to the Department of Labor (Employee Benefits Security Administration) for initial processing. Then, pertinent data is electronically distributed to the Internal Revenue Service, the Social Security Administration, and the Pension Benefit Guaranty Corporation. Each agency only receives the information they are entitled to receive.

Most EPMF data is available through the IRS to the public for a nominal fee. The Form 5500 Series is not only an important compliance and research tool for the Department of Labor, but is also required to be disclosed on request to Plan participants and beneficiaries. Also, the Form 5500 series is an important source of information and data for use by other Federal agencies, Congress, and the private sector in assessing employee benefit, tax, and economic trends and policies. Individuals are not identified.

The Form 5500 Series is part of ERISA's overall reporting and disclosure framework. This is intended to assure that employee benefit plans are operated and managed in accordance with certain prescribed standards and that participants and beneficiaries, as well as regulators are provided or have access to sufficient information to protect the rights and benefits of participants and beneficiaries under employee benefit plans. Individuals are not identified in these disclosures and reports.

EPMF sends Sponsor and Plan information, including new EIN assignments, EIN and plan number changes, name and address changes, and plan terminations, to the Department of Labor's ERISA Filing Acceptance System (EFAST). EFAST uses this information while processing 5500-series returns.

EPMF also sends information electronically to the Social Security Administration (SSA). SSA uses this information to notify retirees who apply for Social Security benefits that they may be entitled to receive benefits from other retirement plans.

## **Administrative Controls of Data**

### **13. What are the procedures for eliminating the data at the end of the retention period?**

Annual processing (Conversion) updates the EPMF and moves all entities, plans, and tax modules that have had no posting activity for 10 or more years to a recirculating purge file. This is per published agency guidance, to include IRM 25.6.11 that discusses the statute of limitations for any excise tax assessed on an Employee Plan as set forth in Law Enforcement Manual 11.3. IRC 6104 relates to the publicity of information as required from certain exempt organizations and certain trusts also cover the EPMF application. It states that one must always follow the agency and the National Archives and Records Administration (NARA) approved record retention schedules. However, once IRS receives a FOIA request for the records, they may not be destroyed, even if the records ought to have been destroyed in accordance with applicable record retention schedules (Reg. 601.702(c) (12) as per "Exempt Organizations- Technical Instruction Program for FY 2003.).

There does not appear to be any IRC/IRM/LEM reference to the purging of EPMF data. It is possible this data is in the Problem Resolution Program or Functional Specification Package documentation for the application; however, such a reference would not be binding (i.e., procedural only).

### **14. Will this system use technology in a new way?**

No. EPMF will not use technology in a new way.

### **15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.**

No for individuals. Form 5500 Schedule SSA includes information identifying separated participants with deferred vested benefits, but this information is only used to ensure that complete Schedules SSA have been filed. The IRS never contacts individuals included on Schedule SSA. Groups of Plans can be identified. Each year, pension, welfare, and fringe benefit Plans generally are required to file an annual return/report regarding their financial condition, investments, and operations. Filing the Form 5500 Annual Return/Report of Employee Benefit Plan and any required attachments typically satisfies the annual reporting requirement. The Department of Labor, Internal Revenue Service, and the Pension Benefit Guaranty Corporation jointly developed the Form 5500 series so employee benefit plans could utilize the Form 5500 to satisfy annual reporting requirements under Title I and Title IV of ERISA (Employee Retirement Income Security Act) and under the Internal Revenue Code.

### **16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.**

No for individuals. Form 5500 Schedule SSA includes information identifying separated participants with deferred vested benefits, but this information is only used to ensure that complete Schedules SSA have been filed. The IRS never monitors individuals included on Schedule SSA. Groups of Plans can be identified. This data is used to ensure compliance with the requirements of ERISA. The establishment and administration of an employee Plan under this statute is a matter of public record. Once the data is transmitted to the Integrated Production Model (IPM), this system, not the EPMF system, will track non-filer data on delinquent returns (TC141).

### **17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently? Explain.**

No. The master file data identifies the Plans only by the Sponsor and Administrator EIN's. Individuals are not included in these records. While the Plans may be differentiated, individuals are not.

The EPMF treats all sponsors of plans with similar characteristics the same way. For example, if the IRS is performing taxpayer delinquency investigations on Form 5500 filers, all Form 5500 filers who should have filed a 5500 return but did not, will receive a letter.

**18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?**

Yes. The EPMF includes transactions that record correspondence with the Plan Administrator regarding compliance with the ERISA reporting requirements.

For example, if a 5500-series return is late, a CP213 notice is sent to the plan sponsor explaining that a penalty will be assessed unless a reasonable explanation for filing late is provided. If the filer provides a reasonable explanation, a transaction with a specific action code is added to the EPMF to prevent the penalty from being assessed.

As another example, if IRS sends a delinquency notice to a filer because the return has not posted to the EPMF, and if the filer responds with a copy of the filing that was submitted to EFAST that has not yet posted to the EPMF, a transaction is added to the EPMF to prevent further actions.

**19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?**

No. EPMF is not a web-based system.

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